

Fall 2015

PENSION REFORM REMAINS A TOPIC IN STATE BUDGET TALKS

As we began printing this newsletter, pension reform remained a topic of discussion in the continuing state budget negotiations in Harrisburg, however no changes to current law had been enacted.

Keep in mind that any changes to your SERS benefit must be introduced as a bill, passed by both chambers of the legislature and signed into law by the Governor.

The bills introduced in this session of the general assembly proposed changes to the future benefit to be earned by current employees. In other words, if you are a retiree, none of the bills currently under consideration affect your monthly payments.

In addition, retirees should know that pension payments will continue during the budget impasse. (see page 3)



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and provide your
e-mail address to
get member updates
and other news sent
to your inbox.

UPDATE ON PURCHASING MILITARY LEAVE TIME

There are positive changes on the horizon related to purchasing USERRA-covered leave time toward your SERS pension.

Beginning January 1, 2016, if you use leave for military service, please contact a retirement counselor at 1.800.633.5461 to discuss how purchasing that time toward your SERS pension may or may not benefit you and important deadlines. **You will no longer automatically receive an invoice to purchase the service.**

"We are working with our employers to streamline the process so that our members can talk with our retirement counselors earlier, and have their questions answered before we issue an invoice." explained SERS' Director of Member Services Joe Torta.

In general, most SERS members are credited with one year of service for every 1,650 hours worked in a calendar year, and members can earn no more than one year of service in a calendar year.

When you purchase service, you're paying the pension contributions that would have automatically been withheld from your pay had you been working your state job.

Recent changes to the retirement code helped to bring that state law into compliance with a number of federal laws. As a result, SERS may not automatically deduct retirement contributions from your pay during absences for military duty, including any paid leave used in lieu of military leave.

REHP PARTICIPANTS: AVOID TAX PENALTY, WATCH FOR YOUR NEW HEALTH INSURANCE TAX DOCUMENT

If you are not eligible for Medicare, you will need a health insurance summary form when filing your annual taxes in order to avoid a tax penalty.

The PEBTF will mail your personal 1095B health insurance tax form in early 2016, as mentioned in their fall 2015 Open Enrollment newsletter.

Under the Affordable Care Act, also known as Obamacare, taxpayers without health insurance coverage must pay a tax penalty.

Your 1095B will summarize your health insurance coverage and that of any dependents you have added to your coverage.



E-MAIL DELIVERY COMING FALL 2016!

If you work for an agency under the Governor's jurisdiction, you will automatically receive the SERS News by e-mail instead of by mail to your home address beginning next fall.

RETIREES: ASK ONE IMPORTANT QUESTION BEFORE YOU RETURN TO WORK “DO YOU OFFER THE SERS PENSION PLAN TO ANY EMPLOYEE?”

If you are considering returning to work, do a little research on your potential employer first. Before you accept a job, whether full- or part-time, ask your potential employer if they offer the SERS pension plan to any of their employees.

With very few exceptions, if you return to work for a SERS-participating employer – even if you work only a few hours a week, or a few days a month -- your pension payments will stop. In some cases, the benefit you receive when you again retire could be less than the benefit you received during your earlier retirement.

This is true even if the employer offers the SERS pension plan along with other optional retirement plans as do the universities in the State System of Higher Education, Pennsylvania State University, and any of Pennsylvania's community colleges.

Your payments will also stop if you chose to work for a public school district in PA as a member of the Public School Employees' Retirement System (PSERS), and you choose to combine your SERS and PSERS service for one state pension by electing "multiple service."

For a list of SERS participating employers, visit www.sers.pa.gov/about_employers.aspx

CONFIDENTIALITY OF YOUR MEMBER INFORMATION

As a member of a public pension fund, certain information about you and your SERS benefit are public records, subject to release pursuant to a subpoena or a properly filed Right-To-Know Law request.

That information includes, among other things, your SERS-participating employer or employers, years of service, retirement-covered compensation, and after you retire, your monthly pension amount.

Your home address also is generally considered public information. Two personal security exceptions apply:

- If you are a judge or work in law enforcement, your address is exempt from release.
- If you have a documented specific threat to your personal security, like a court ordered Protection from Abuse (PFA), your address may be exempt from release. You must notify SERS by submitting a Right-to-Know Law Disclosure of Home Address Exception Documentation form, available at www.SERS.pa.gov and by calling 1.800.633.5461.

As reported to you last year, SERS received two requests for member addresses. In response, we released some of the requested records, as required by law, but denied access to the records of most SERS members. Both requestors appealed our partial denial to the Office of Open Records. The Office of Open Records ordered us to release additional records, a determination that we appealed to Commonwealth Court.

In one case, the court ruled in favor of the requestor, but SERS and the requestor later reached a resolution that did not involve releasing those addresses.

In the second case, the court has issued a hold order pending the outcome of another similar case.

Other questions related to the release of home addresses are still pending in the PA Supreme Court. We will share the outcome.

PENSION REFORM REMAINS A TOPIC IN STATE BUDGET TALKS (CONTINUED)

As administrator of the SERS pension benefit, we do not advocate for or against specific pension reform bills. We closely monitor legislation that could impact your benefit and will notify you of any important information.

We encourage you to remain informed as pension reform talks continue. You can read proposed legislation and track its progress on the legislature's website, www.legis.state.pa.us, by using the keyword "pension." The site also features a legislator search tool so that you can find the name and contact information for your legislators.

**IF YOU HAVE A
PFA OR OTHER
DOCUMENTED RISK
TO YOUR SECURITY,
NOTIFY SERS.**



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REMEMBER!

It is important to ensure that you always have an up-to-date beneficiary nomination form on file with SERS. Unlike other retirement programs, your SERS pension does not include specific spousal rights. If you don't have a form on file, any death benefit will be paid to your estate where it will be subject to estate tax. You can download a form at www.SERS.pa.gov or call 1.800.633.5461.